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**AGENCY OVERVIEW****475 ND Mill and Elevator Association**

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**Date:** 12/23/2014**Time:** 13:00:23**Statutory Authority**

North Dakota Century Code Chapter 54-18.

**Agency Description**

The North Dakota State Mill & Elevator Association started operations in 1922 and serves as a foundation for value-added economic development in the state, promotes the export of North Dakota wheat, and returns a percentage of its annual profits to the states general fund. The Mill is located in Grand Forks.

**Agency Mission Statement**

The mission of the North Dakota Mill is to:

- Promote and provide support to the North Dakota agriculture, commerce and industry and to provide superior quality, consistency and service to our customers.
- Grow the business and provide a profit to our owners - the citizens of North Dakota.
- Conduct our business with the highest integrity so that our employees, customers, suppliers and owners are proud to be associated with the North Dakota Mill.

**Agency Performance Measures**

The North Dakota Mill will:

- Purchase and mill 32.0 million bushels per year of North Dakota grown spring and durum wheat.
- Realize profits in order to maintain the facilities in top operating condition.
- Return a portion of the profits to the state general fund.

**Major Accomplishments**

1. Achieved sales of 12.2 million hundredweight in fiscal year 2014.
2. Purchased more than 26.2 million bushels of spring wheat and durum in fiscal year 2014.
3. Achieved profits of \$13.5 million in fiscal year 2014.

**Future Critical Issues**

- Volatile grain markets impact the cost of raw material inputs.
- Energy costs and related volatility impact our plant operations and the freight costs in shipping our product to the various markets.
- Interest rates and the potential for increasing rates.

**REQUEST SUMMARY**

475 ND Mill and Elevator Association

Bill#: HB1014

Date: 12/23/2014

Time: 13:00:23

Biennium: 2015-2017

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
<b>By Major Program</b>					
Flour Mill and Grain Terminal Operations	39,543,809	52,123,557	10,259,147	62,382,704	1,643,906
<b>Total Major Program</b>	<b>39,543,809</b>	<b>52,123,557</b>	<b>10,259,147</b>	<b>62,382,704</b>	<b>1,643,906</b>
<b>By Line Item</b>					
Salaries and Wages	23,405,939	29,141,750	5,203,954	34,345,704	1,643,906
Accrued Leave Payments	0	575,807	(575,807)	0	0
Operating Expenses	16,075,030	21,796,000	5,531,000	27,327,000	0
Agriculture Promotion	62,840	210,000	0	210,000	0
Contingency	0	400,000	100,000	500,000	0
<b>Total Line Items</b>	<b>39,543,809</b>	<b>52,123,557</b>	<b>10,259,147</b>	<b>62,382,704</b>	<b>1,643,906</b>
<b>By Funding Source</b>					
General Fund					
Federal Funds					
Special Funds	39,543,809	52,123,557	10,259,147	62,382,704	1,643,906
<b>Total Funding Source</b>	<b>39,543,809</b>	<b>52,123,557</b>	<b>10,259,147</b>	<b>62,382,704</b>	<b>1,643,906</b>
<b>Total FTE</b>	<b>131.00</b>	<b>135.00</b>	<b>0.00</b>	<b>135.00</b>	<b>12.00</b>

**REQUEST DETAIL**

475 ND Mill and Elevator Association

Bill#: HB1014

Date: 12/23/2014

Time: 13:00:23

Biennium: 2015-2017

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
<b>Salaries and Wages</b>					
Salaries - Permanent	11,852,537	12,857,090	1,213,421	14,070,511	1,103,607
Salaries - Other	2,388,627	4,661,982	2,086,218	6,748,200	0
Temporary Salaries	198,005	516,000	600	516,600	0
Overtime	3,235,006	4,011,794	1,195,906	5,207,700	0
Fringe Benefits	5,731,764	7,094,884	707,809	7,802,693	540,299
<b>Total</b>	<b>23,405,939</b>	<b>29,141,750</b>	<b>5,203,954</b>	<b>34,345,704</b>	<b>1,643,906</b>
<b>Salaries and Wages</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	23,405,939	29,141,750	5,203,954	34,345,704	1,643,906
<b>Total</b>	<b>23,405,939</b>	<b>29,141,750</b>	<b>5,203,954</b>	<b>34,345,704</b>	<b>1,643,906</b>
<b>Accrued Leave Payments</b>					
Salaries - Other	0	575,807	(575,807)	0	0
<b>Total</b>	<b>0</b>	<b>575,807</b>	<b>(575,807)</b>	<b>0</b>	<b>0</b>
<b>Accrued Leave Payments</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	575,807	(575,807)	0	0
<b>Total</b>	<b>0</b>	<b>575,807</b>	<b>(575,807)</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses</b>					
Travel	505,823	615,000	55,000	670,000	0
Supplies - IT Software	173,948	175,000	105,000	280,000	0
Supply/Material-Professional	113,808	325,000	0	325,000	0
Miscellaneous Supplies	1,576,438	2,028,000	272,000	2,300,000	0
Office Supplies	148,435	221,000	(21,000)	200,000	0
Postage	54,874	80,000	0	80,000	0
IT Equip Under \$5,000	87,398	125,000	95,000	220,000	0
Utilities	6,048,078	8,625,000	3,675,000	12,300,000	0
Insurance	1,615,180	2,325,000	200,000	2,525,000	0
Repairs	5,131,884	6,065,000	900,000	6,965,000	0
IT - Communications	144,066	252,000	(2,000)	250,000	0
IT Contractual Svcs and Rprs	160,273	225,000	400,000	625,000	0
Professional Development	244,697	280,000	72,000	352,000	0
Operating Fees and Services	0	225,000	(225,000)	0	0

**REQUEST DETAIL**

475 ND Mill and Elevator Association

Bill#: HB1014

Date: 12/23/2014

Time: 13:00:23

Biennium: 2015-2017

Description	Expenditures 2011-2013 Biennium	Present Budget 2013-2015	Budget Request Change	Requested Budget 2015-2017 Biennium	Optional Budget Request
Fees - Professional Services	70,128	230,000	5,000	235,000	0
<b>Total</b>	<b>16,075,030</b>	<b>21,796,000</b>	<b>5,531,000</b>	<b>27,327,000</b>	<b>0</b>
<b>Operating Expenses</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	16,075,030	21,796,000	5,531,000	27,327,000	0
<b>Total</b>	<b>16,075,030</b>	<b>21,796,000</b>	<b>5,531,000</b>	<b>27,327,000</b>	<b>0</b>
<b>Agriculture Promotion</b>					
Non-Operating Expenses	62,840	210,000	0	210,000	0
<b>Total</b>	<b>62,840</b>	<b>210,000</b>	<b>0</b>	<b>210,000</b>	<b>0</b>
<b>Agriculture Promotion</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	62,840	210,000	0	210,000	0
<b>Total</b>	<b>62,840</b>	<b>210,000</b>	<b>0</b>	<b>210,000</b>	<b>0</b>
<b>Contingency</b>					
Non-Operating Expenses	0	400,000	100,000	500,000	0
<b>Total</b>	<b>0</b>	<b>400,000</b>	<b>100,000</b>	<b>500,000</b>	<b>0</b>
<b>Contingency</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	0	400,000	100,000	500,000	0
<b>Total</b>	<b>0</b>	<b>400,000</b>	<b>100,000</b>	<b>500,000</b>	<b>0</b>
<b>Funding Sources</b>					
General Fund	0	0	0	0	0
Federal Funds	0	0	0	0	0
Special Funds	39,543,809	52,123,557	10,259,147	62,382,704	1,643,906
<b>Total Funding Sources</b>	<b>39,543,809</b>	<b>52,123,557</b>	<b>10,259,147</b>	<b>62,382,704</b>	<b>1,643,906</b>

**CHANGE PACKAGE SUMMARY**

475 ND Mill and Elevator Association

Biennium: 2015-2017

Bill#: HB1014

Date: 12/23/2014

Time: 13:00:23

Description	Priority	FTE	General Fund	Federal Funds	Special Funds	Total Funds
<b><u>Base Budget Changes</u></b>						
<b>Ongoing Budget Changes</b>						
A-A 1 Inflationary and capacity increase changes		0.00	0	0	5,631,000	5,631,000
Base Payroll Change		0.00	0	0	4,628,147	4,628,147
<b>Total Ongoing Budget Changes</b>		<b>0.00</b>	<b>0</b>	<b>0</b>	<b>10,259,147</b>	<b>10,259,147</b>
<b>Total Base Budget Changes</b>		<b>0.00</b>	<b>0</b>	<b>0</b>	<b>10,259,147</b>	<b>10,259,147</b>
<b><u>Optional Budget Changes</u></b>						
<b>Ongoing Optional Changes</b>						
A-C 2 New FTE for Expansion Project	1	6.00	0	0	812,026	812,026
A-C 3 New FTEs for Workload	2	6.00	0	0	831,880	831,880
<b>Total Ongoing Optional Changes</b>		<b>12.00</b>	<b>0</b>	<b>0</b>	<b>1,643,906</b>	<b>1,643,906</b>
<b>Total Optional Budget Changes</b>		<b>12.00</b>	<b>0</b>	<b>0</b>	<b>1,643,906</b>	<b>1,643,906</b>

**BUDGET CHANGES NARRATIVE****475 ND Mill and Elevator Association****Bill#: HB1014****Date:** 12/23/2014**Time:** 13:00:23

<b>Change Group:</b> A	<b>Change Type:</b> A	<b>Change No:</b> 1	<b>Priority:</b>
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Inflationary and capacity increase changes

Increases due to inflation and increased capacity of milling operations.

<b>Change Group:</b> A	<b>Change Type:</b> C	<b>Change No:</b> 2	<b>Priority:</b> 1
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New FTE for Expansion Project

Increases required to operate the new milling unit which will begin operations in the fall of 2015.

<b>Change Group:</b> A	<b>Change Type:</b> C	<b>Change No:</b> 3	<b>Priority:</b> 2
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New FTEs for Workload

Increases needed in order to produce enough product to meet customer demand.

<b>Change Group:</b> R	<b>Change Type:</b> A	<b>Change No:</b> 1	<b>Priority:</b>
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New FTE for expansion project

Authorizes 6 new FTE positions and \$812,026 from other funds required to operate the new milling unit which will begin operations in the fall of 2015. The new FTE positions include three miller positions and three positions to clean, check and load rail cars.

<b>Change Group:</b> R	<b>Change Type:</b> A	<b>Change No:</b> 2	<b>Priority:</b>
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New FTE for workload increase

Authorizes 6 new FTE positions and \$831,880 from other funds needed for production of enough product to meet customer demand. The new FTE positions include 2 flour packers, 2 utility workers, 1 electrician, and 1 maintenance worker.

<b>Change Group:</b> R	<b>Change Type:</b> B	<b>Change No:</b> 1	<b>Priority:</b>
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New FTE for expansion project

Authorizes 6 new FTE positions and \$812,026 from other funds required to operate the new milling unit which will begin operations in the fall of 2015. The new FTE positions include three miller positions and three positions to clean, check and load rail cars.

<b>Change Group:</b> R	<b>Change Type:</b> B	<b>Change No:</b> 2	<b>Priority:</b>
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New FTE for workload increase

Authorizes 6 new FTE positions and \$831,880 from other funds needed for production of enough product to meet customer demand. The new FTE positions include 2 flour packers, 2 utility workers, 1 electrician, and 1 maintenance worker.